

2011 Annual WMBE Plan Guidelines

1. Department Representative

Javier Valdez, HUB/ WMBE Program Manager

- Already attends Contracting Equity Interdepartmental Team meetings
- Shares information with other members
- Always attends the Annual Trade Show and will do so this year
- Will attend the Regional Contracting Forum on March 30, 2011

2. 2011 Goals

Summarize your department 2010 WMBE goal attainment and discuss the specific challenges and successes your Department experienced in meeting or exceeding 2010 WMBE goals. You may also discuss challenges and successes in meeting and exceeding WMBE goals in years prior to 2010.

City Light WMBE Performance Year-End 2010

	Actual	Goal	Dollar Amount
• Consulting	10.42%	9.00%	\$1,464,121
• Purchases	13.71%	10.50%	\$8,723,248

Our WMBE program has achieved success over time by concentrating efforts on the long term rather than the short term pursuit of a percentage goal.

While in the past City Light has been able to improve our WMBE performance over time, either in the total dollars spent with WMBE firms or the percentage of total spending, as an electric utility we face different challenges than other City departments. City Light has more than 200 organizations within the utility, many of which have no ability to use WMBEs as there are no WMBE firms offering the products or services needed for their operations. We are committed to capacity building, and will continue our efforts to that end, but these efforts unfortunately do not deliver results overnight.

City Light also has found that while the utility purchases many items using credit cards, the payments to the bank are included in the total when calculating WMBE spending percentages, the actual purchases are not. Therefore, since the denominator is larger by the bank payments and the numerator is smaller by the exclusion of the credit card purchases from WMBE firms, City Light purchases are consistently understated on a percentage basis.

Further, City Light notes the following challenges that have impacted the reporting of City Light's achievements in prior years:

1. Incorrect reporting by FAS. Every year City Light has found errors in the reports provided by FAS and posted to SUMMIT. In 2010, for example, FAS included the month of July information on spending twice for every department of the City. When City Light notified FAS the reports were re-run and corrected.
2. FAS software limitations. When City Light points out individual transaction errors, such as a WMBE firm that FAS has not included in the

reports, FAS is able only to report spending going forward which means all dollar amounts spent in prior months are excluded.

3. Vendor Registration tracking. Firms registered by FAS and listed as WMBE on the City's VCR system but that were not added to the WMBE list used for reporting are not recognized as WMBEs in FAS monthly reports.
4. State WMBE recognition. Some firms apply for State recognition in order to provide goods or services to State agencies as well as The City of Seattle. However, unlike the City, State registrations have an expiration date. When the registrations expire the City's report no longer recognizes these firms if they have not registered in the City's system as well even though their actual status has not changed.

Establish and identify an aspirational WMBE utilization goal for purchasing and a goal for consulting. Capital departments shall also establish a dollar goal to increase spend through the Job Order Contracts (Parks, Seattle Center, SCL, SDOT, FAS and SPU).

City Light has analyzed projected 2011 data in response to this requirement. Projected budget expenditures for contracts signed in prior years with non-WMBE firms that will be paid in 2011, payments to customers, electric utility goods and services with no known WMBEs, and interfund payments to other City departments were eliminated from projected total spending to determine estimated spending that potentially might be made from WMBE firms. Examples of amounts not available for spending with WMBEs included such categories as;

Conservation Incentive Payments: (made to customers and contractors selected directly by customers)	\$43.9 Million
Work and Asset Management implementation: (prior year contract)	\$14.0 Million
Boundary Relicensing (prior year contracts-no WMBEs)	\$11.0 Million
Materials (no WMBE vendors)	\$19.0 Million
Vehicle Purchases (state contract)	\$ 5.1 Million

Based on the results of our analysis, due to changed circumstances, and in view of long term goals City Light has established, the 2011 aspirational WMBE utilization goals are proposed as:

- Increase the number of WMBEs able to supply services to City Light and registered in the City's system by at least 20 firms
- Define key performance metrics for consulting, purchasing, and construction
- Spend a minimum of \$8.5 million with WMBE firms in 2011
- Spend at least \$200,000 for projects in the Facilities Job Order Contract (JOC) with a goal that 30% of the spending should be with WMBE firms
- Conduct a pilot JOC project to determine how to increase WMBE participation in the Utilities Job order Contract

Departments may establish goals by applying a formulaic improvement upon 2010 performance, and/or by analyzing inputs such as your department budget, mandatory use contract availability, and industry composition. Current WMBE utilization data can

be found at: <http://inweb/DEA/contractingequity.htm>, or contact Dolly Small, Contracting Equity Manager, by telephone at (206)684-3081 or by email at dolly.small@seattle.gov.

Identify and describe detailed strategies and actions to support your Department goal attainment.

City Light believes that actions taken today need to provide benefits over the years to come in order to most effectively spend ratepayers funds. Therefore, City Light will pursue the following strategies and actions to support our goal attainment. As mentioned above, these strategies and actions are being undertaken to support long-term improvements rather than limited to only the 2011 listed aspirational goals.

- Consulting: City Light is contracting with the Procurement Technical Assistance Center for King and Pierce Counties, the Urban Enterprise Center, and the Small Business Transportation Resource Center. This group will work with City Light to improve WMBE consulting usage.
- Purchasing: City Light has retained the Northwest Minority Suppliers Council to assist City Light with the identification of WMBE vendors.
- Job Order Contracting (JOC): In addition to working with FAS to provide training to City Light personnel, City Light has hired the Platinum Group, a WMBE firm, to provide the Job Order Contracting and other construction related assistance.

Each of these groups has been retained to help City Light build capacity.

City Light expects to identify and engage in other supporting efforts throughout 2011.

3. Project Specific Strategies and Objectives

Departments may identify a project or program for special focus. The program or project could be one that might benefit from concentrated efforts and strategies, has particular community visibility, is a long-term or multi-year program, has a particularly significant impact in the department, or offers some other particular opportunity to pursue and highlight your WMBE efforts. Departments can establish an objective measure and/or a traditional utilization goal that can highlight particular efforts, strategies, innovations and progress.

City Light is actively pursuing potential opportunities and will share information as soon as a specific opportunity becomes concrete.

4. Department Training

Departments are to train key department personnel to help establish a deeper department cultural understanding of the City WMBE initiatives, and the resources, tools and processes that support department WMBE efforts. This is directed by Executive Order 2010-05.

Provide a description of WMBE- oriented training that your department intends to provide in 2011. Identify the Department staff levels that will receive training, such as

managers, administrators, or line-staff. The IDT, FAS, and Seattle Office of Civil Rights (SOCR) are available to support departmental efforts, including conducting training sessions. Describe support needed from IDT, FAS, and/or SOCR.

In 2011, City Light intends to educate approximately 50 project managers on WMBE-oriented purchasing, consulting, and construction contracting. This training will be conducted by a combination of City Light staff, consultants, and FAS.

If your department has already initiated or completed such training, please detail the efforts and progress of your department.

In February 2011, City Light met with FAS staff to discuss cooperation required to complete JOC training. Currently, City Light expected the education initiative to begin in the April-May timeframe.

The WMBE program manager meets with organizational units within City Light throughout the year on a scheduled basis to remind employees about the availability of services and products, to answer questions, and to share City and City Light expectations.

5. Outreach Events

Identify your plan for department participation in events with WMBE community associations, industry organizations, and other entities to outreach to WMBE vendors and consultants.

In addition to the Annual Trade Show and the Regional Contracting Forum, City Light will participate in a minimum of 8 outreach events. Given the limited time to provide a response, it is not possible would to identify specific outreach activities. The specific outreach activities will be developed over the course of 2011, and may include:

- City of Seattle/Tabor 100 Meet-n-Greets (4)
- Northwest Minority Supplier Council MBE to MBE Showcase
- Alliance NW Conference (tentative)
- Northwest Minority Supplier Council Trade Show
- UW Minority Business of the Year Awards

6. Consultant Inclusion Plans

Consultant Contract Inclusion Plans are required on all consultant contracts above \$260,000, and on those less than \$260,000 that may provide meaningful subcontracting or employment opportunity.

Describe your department strategies and controls to ensure Inclusion Plans are included within all appropriate department consultant contracts.

City Light's contract administrator reviews all RFPs over \$260,000 to ensure that the inclusion plan requirement is addressed prior to allowing an RFP to be issued. Once responses are received, City Light's WMBE program manager reviews the responses for compliance with the inclusion plan mandates imposed by FAS. The WMBE program manager also participates in the evaluation of RFP responses as appropriate.

7. Additional Strategies and Efforts

Identify any department-specific or city-wide standards that may limit WMBE participation in contracts. Discuss any department plans to review such standards for WMBE utilization. Your plan may include pursuing specific recruitment efforts, subcontracting strategies, revised standards, and/or long-term WMBE business development.

City Light has convened a group of representatives from all parts of the utility to examine contracting City and City Light standards, policies and procedures. The group meets weekly and will provide a report with recommendations in the next few months. Any recommendations relating to the City will be shared with FAS. The goal of the group is to identify ways to improve contracting process efficiency to ensure operational needs are met, while maintaining sufficient internal controls.